



UPDATE

Financial 15 Split Corp II is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, high quality portfolio consisting of 15 financial services companies, made up of Canadian and U.S. issuers. Two types of shares are available, a Class A and a Preferred.

Objectives

Preferred Shares (TSX: FFN.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2009 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

Class A Shares (TSX: FFN):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield **8.0% per annum** on the original issue price; and (ii) on or about December 1, 2009 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

Distributions (by record date)

	FFN	FFN (specials)	FFN.PR.A	Total
Total to Date	\$2.10	\$0.25	\$0.9412	\$3.2912
2006 YTD	\$0.70	\$0.25	\$0.3063	\$1.2563
2005	\$1.20		\$0.525	\$1.725
2004 (two months)	\$0.20		\$0.10991*	\$0.30991

*Initial distribution for the period Oct 15/04 to Nov 30/04.

Commentary

CIBC boosts quarterly dividend by 3% to \$0.70 per share to yield 3.7% per annum.

BMO boosts quarterly dividend by 17% to \$0.62 per share to yield 4.0% per annum.

CIBC and BMO are holdings of Financial 15 Split II.

Details

Gross Proceeds:	\$167,500,000
Units Issued:	6,700,000
Inception Date:	Oct 15, 2004
Termination Date:	Dec 1, 2009
Net Asset Value:	\$25.03 (July 31/06)
Cash Weighting:	18%
U.S. Equity Weighting:	26%
Canadian Equity Weighting:	56%
FFN.PR.A Issue Price	\$10.00
Trading Price:	\$10.40 (July 31/06)
Current Yield:	5.0% annually
FFN Issue Price:	\$15.00
Trading Price:	\$14.59 (July 31/06)
Current Yield:	8.2% annually

Holdings Sorted By Weight

Holdings Sorted By Weight	Symbol
CI Fund Management	CIX-T
Citigroup	C-N
Canadian Imperial Bank of Commerce	CM-T
Sun Life Financial	SLF-T
Royal Bank	RY-T
Great-West Lifeco	GWO-T
Bank of America	BAC-N
National Bank	NA-T
Toronto-Dominion Bank	TD-T
Merrill Lynch	MER-N
JP Morgan	JPM-N
Manulife Financial	MFC-T
Bank of Nova Scotia	BNS-T
Bank of Montreal	BMO-T
Wells Fargo	WFC-N

Weightings subject to change at any time.